

Chapter 259, P.L. 2001

(Approved 12/6/01)

[First Reprint]

ASSEMBLY, No. 2804

STATE OF NEW JERSEY

209th LEGISLATURE

INTRODUCED OCTOBER 5, 2000

Sponsored by:

Assemblyman DAVID C. RUSSO

District 40 (Bergen and Passaic)

Assemblyman NEIL M. COHEN

District 20 (Union)

Co-Sponsored by:

Assemblymen Azzolina, Barnes, Assemblywoman

Buono and Assemblyman Holzapfel

SYNOPSIS

Provides certain retirement benefits for workers compensation judges.

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CURRENT VERSION OF TEXT

As amended on November 29, 2001 by the General Assembly pursuant to the Governor's recommendations.

EXPLANATION - Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and intended to be omitted in the law.

Matter underlined thus is new matter.

Matter enclosed in superscript numerals has been adopted as follows:

¹ Assembly amendments adopted in accordance with Governor's recommendations November 29, 2001.

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(Sponsorship Updated As Of: 12/8/2000)

¹[AN ACT establishing the Workers Compensation Judges Retirement System and supplementing Title 43 of the Revised Statutes]
AN ACT concerning retirement benefits for workers compensation judges and supplementing P.L.1954, c.84 (C.43:15A-1 et seq.)¹.

BE IT ENACTED *by the Senate and General Assembly of the State of New Jersey:*

¹[1. This act shall be known and may be cited as the "Workers Compensation Judges Retirement System Act."¹

¹[2. If any provision, section, or part of any section of this act is declared to be unconstitutional, the same shall not be held to affect any other provision, section, or part of any section of this act, and the remainder of this act shall in no way thereby be invalidated.]¹

¹[3. As used in this act:

"Accumulated deductions" means the sum of all amounts, deducted from the compensation of a member or contributed by or on behalf of the member, standing to the credit of the member's individual account in the annuity savings fund.

"Annuity" means payments for life derived from the accumulated deductions of a member as provided in this act.

"Annuity reserve" means the present value of all payments to be made on account of any annuity or benefit in lieu of an annuity computed on the basis of such mortality tables recommended by the actuary as the board of trustees adopts with regular interest.

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"Beneficiary" means any person entitled to receive any benefit pursuant to the provisions of this act by reason of the death of a member or retirant.

"Child" means a deceased member's or retirant's unmarried child who is (a) under the age of 18; (b) of any age who, at the time of the member's or retirant's death, is disabled because of mental retardation or physical incapacity, is unable to do any substantial, gainful work because of the impairment, and the impairment has lasted or can be expected to last for a continuous period of not less than 12 months, as affirmed by the medical board; or (c) under the age of 21 and is attending school full time.

"Compensation" means the base salary, for services as a member as defined in this act, which is in accordance with established salary policies of the State for all employees in the same position, but shall not include individual salary adjustments which are granted primarily in anticipation of the member's retirement or additional remuneration for performing temporary duties beyond the regular work schedule.

"Division" means the Division of Pensions and Benefits in the Department of Treasury

"Final salary" means the annual salary received by the member at the time of retirement or death.

"Fiscal year" means any year commencing with July 1 and ending with June 30 next following.

"Medical board" means the board of physicians provided for in section 7 of this act.

"Member" means the Chief Judge, the administrative supervisory judges, the supervisory judges, and the judges of compensation of the Division of Workers' Compensations of the Department of Labor required

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to be enrolled in the retirement system established by this act.

"Parent" means the parent of a member who was receiving at least one-half of the parent's support from the member in the 12-month period immediately preceding the member's death or the accident which was the direct cause of the member's death. The dependency of such a parent shall be considered terminated by marriage of the parent subsequent to the death of the member.

"Pension" means payment for life derived from contributions by the State.

"Pension reserve" means the present value of all payments to be made on account of any pension or benefit in lieu of a pension computed on the basis of such mortality tables recommended by the actuary as shall be adopted by the board of trustees with regular interest.

"Regular interest" means interest as determined by the State Treasurer, after consultation with the Director of the Division of Investment, the Director of the Division of Pensions and Benefits, the board of trustees, and the actuary of the system, which interest shall bear a reasonable relationship to the percentage rate of earnings on investments based on the market value of assets, but shall not exceed the assumed percentage rate of increase applied to salaries plus 3%, provided, however, that the board of trustees shall not set the average percentage rate of increase applied to salaries below 6%.

"Retirant" means any former member receiving a pension or retirement allowance as provided by this act.

"Retirement allowance" means the pension plus the annuity.

"Retirement system" or "system" herein refers to the Workers Compensation Judges Retirement System of New Jersey, which is the corporate name of the arrangement for the payment of pensions, retirement allowances, and other benefits under the provisions of this act including the several funds placed under the system.

"Service" means public service rendered for which credit is allowed on the basis of contributions made by the State.

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"Widow" means the woman to whom a member or a retirant was married at least four years before the date of his death and to whom he continued to be married until the date of his death. In the event of accidental death, the four-year qualification shall be waived. When used in this act, the term "widow" shall mean and include "widower" as may be necessary and appropriate to the particular situation.

"Widower" means the man to whom a member or a retirant was married at least four years before the date of her death and to whom she continued to be married until the date of her death. In the event of accidental death, the four-year qualification shall be waived.]]

[[4. There is hereby established the Workers Compensation Judges Retirement System of New Jersey in the Division of Pensions and Benefits of the Department of the Treasury. The retirement system shall have the powers and privileges of a corporation. Its purpose shall be to provide pensions and other benefits for its members and their beneficiaries in accordance with the provisions of this act. By that name, all of its business shall be transacted, its funds invested, warrants for money drawn, and payments made and all of its cash and securities and other property held.]]

[[5. The membership of the retirement system shall include the Chief Judges, the administrative supervisory judges, the supervisory judges and the judges of compensation of the Division of Workers' Compensation of the Department of Labor. Membership in the retirement system shall be a condition for service for the judges herein listed and shall cease upon retirement, death or resignation.]]

[[6. Not more than one year shall be credited in the retirement system for all service in a calendar year. In computing years of service, any service for which the member did not receive an annual salary or compensation of at least \$500 shall be disregarded. Only service as a

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public employee of New Jersey shall be considered.]"

"[7. a. The general responsibility for the proper operation of the retirement system shall be vested in the board of trustees. Subject to the limitations of the law, the board shall annually establish rules and regulations for the administration and transaction of its business and for the control of the funds created by this act. Such rules and regulations shall be consistent with those adopted by the other pension funds within the division in order to permit the most economical and uniform administration of all such retirement systems.

The membership of the board shall consist of the following:

(1) two trustees appointed by the Governor, with the advice and consent of the Senate, who shall serve for a term of office of three years and until their successors are appointed, who shall be private citizens of the State of New Jersey and who are neither an officer thereof nor active or retired members of the system. Of the two trustees initially appointed by the Governor, one shall be appointed for a term of two years and one for a term of three years.

(2) the State Treasurer or the Deputy State Treasurer, when designated for that purpose by the State Treasurer.

(3) two trustees elected for a term of three years by the members of the retirement system from among the active or retired members of the retirement system in a manner prescribed by the board of trustees. A vacancy occurring in the board of trustees shall be filled by the appointment or election of a successor in the same manner as the predecessor.

Each trustee of the board shall, upon appointment or election, take an oath of office that the trustee will diligently and honestly administer the board's affairs and will not knowingly violate or willfully permit to be violated any provision of this act or any other law applicable to this act.

The oath shall be subscribed to by the trustee making it, certified by the officer before whom it is taken and filed immediately in the office of the

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Secretary of State.

The board shall elect annually from its membership a chairman and may also elect a vice-chairman who shall have all the power and authority of the chairman in the event of the death, absence or disability of the chairman.

Each trustee shall be entitled to one vote in the board and a majority of all the votes of the entire board shall be necessary for a decision by the board of trustees at a meeting of the board. The board shall keep a record of all its proceedings, which shall be open to public inspection.

The trustees of the board shall serve without compensation but shall be reimbursed for any necessary expenditures. No judge of compensation shall suffer loss of salary or wages through serving on the board.

b. The State Treasurer shall designate a medical board after consultation with the director of the division, subject to veto by the board of trustees for valid reason. The board shall be composed of three physicians. The medical board shall pass upon all medical examinations required under the provisions of this act, investigate all essential statements and certificates by or on behalf of a member in connection with an application for disability retirement, and report in writing to the retirement system its conclusions and recommendations upon all matters referred to it.]¹

¹[8. The actuary of the system shall be selected by the Retirement Systems Actuary Selection Committee established by section 19 of P.L.1992, c.125 (C.43:4B-1).

The actuary shall be the technical adviser to the board of trustees on matters regarding the operation of the funds created by the provisions of this act and shall perform such other duties as are required in connection therewith.

The Attorney General shall be the legal adviser of the retirement system, except that if the Attorney General determines that a conflict of interest would affect the ability of the Attorney General to represent the

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board on a matter affecting the retirement system, the board may select and employ legal counsel to advise and represent the board on that matter.

The chief or assistant chief of the office of secretarial services of the division shall be the secretary of the board.

The expenses of administration of the retirement system shall be paid by the State of New Jersey.]]

9. The actuary shall recommend, and the division shall keep in convenient form, such data as shall be necessary for actuarial valuation of the various funds created by this act. At least once in every three-year period, the actuary shall make an actuarial investigation into the mortality, service, and compensation or salary experience of the members and beneficiaries as defined in this act and shall make a valuation of the assets and liabilities of the various funds created by this act. Upon the basis of such investigation and valuation, with the advice of the actuary, the board of trustees shall:

- a. adopt for the retirement system such mortality, service and other tables as shall be deemed necessary; and
- b. certify the rates of contribution, expressed as a proportion of the compensation of members, which shall be made by the State to the contingent reserve fund.]]

10. Annuity values, including actuarial equivalents under optional selections, for all members of the retirement system shall be determined without reference to sex, provided, however, that this act shall not limit the actuary from using sex as a factor in the actuarial valuation required pursuant to section 9 of this act.]]

11. The retirement system shall publish annually a report showing a valuation of the assets and liabilities of the funds created by this act, certifying as to the accumulated cash and securities of the funds and

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stating other facts pertaining to the system. The board shall submit the report to the Governor and furnish a copy to the Department of Labor and the Division of Workers' Compensation for use of the members and the public.]"

"[12. Under this act, there shall be established a contingent reserve fund, an annuity savings fund, and a retirement reserve fund.]"

"[13. The contingent reserve fund shall be the fund in which shall be credited contributions made by the State.

a. Upon the basis of the tables recommended by the actuary which the board of trustees adopts and regular interest, the actuary shall compute annually the amount of the contribution, expressed as a proportion of the compensation paid to all members, which if paid monthly during the entire prospective service of the members, shall be sufficient to provide for the pension reserves required at the time of discontinuance of active service to cover all pensions to which they may be entitled or which are payable on their account and to provide for the amount of the death benefits payable on their account, which amount is not covered by other contributions to be made as provided in this section and the funds in hand available for such benefits. This shall be known as the "normal contribution."

b. Upon the basis of the tables recommended by the actuary which the board adopts and regular interest, the actuary shall compute the amount of the unfunded liability as of the effective date of this act, which has accrued on the basis of services rendered prior to the day after that effective date by all members, including the amount of the liability accrued by reason of pensions to be granted on account of services rendered by members, which has not already been covered by previous State contributions to the Public Employees' Retirement System, P.L.1954, c.84 (C.43:15A-1 et seq.), transferred to the retirement system under provision of subsection d. Using the total amount of this unfunded accrued liability, the actuary shall compute the amount of the flat annual

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payment which, if paid in each succeeding fiscal year commencing with one year and one day after the effective date of this act for a period of 40 years, shall provide for this liability. This shall be known as the "unfunded accrued liability."

c. The actuary shall certify annually the aggregate amount payable to the contingent reserve fund in the ensuing fiscal year, which amount shall be equal to the sum of the proportion of the earnable salary of all members, computed as described in subsection a., and of the State's accrued liability contribution, payable in the ensuing fiscal year, as described in subsection b. The State shall pay into the contingent reserve fund during the ensuing fiscal year the amount so determined.

The cash death benefits, payable as the result of contribution by the State under the provisions of this act upon the death of a member in active service and after retirement, shall be paid from the contingent reserve fund.

d. Within 90 days following the effective date of this act, the Public Employees' Retirement System shall transfer that portion of the actuarial reserves established in that system on the basis of contributions made by the State on behalf of those judges of compensation whose membership in the Public Employees' Retirement System shall be terminated by provisions of this act and whose retirement and death benefit coverage shall be provided by the Workers Compensation Judges Retirement System. This transfer of the reserves to the retirement system established by this act shall be accomplished upon certification by the consulting actuary of the Public Employees' Retirement System as to the amounts to be transferred.]¹

¹[14. a. The annuity savings fund shall be the fund in which shall be credited aggregate contributions made by members or on their behalf to provide for their allowances. The aggregate contributions of a member withdrawn by the member or paid to the member's estate or the member's designated beneficiary in the event of death as provided by this act shall

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be paid from the annuity savings fund. Upon the retirement of a member where the aggregate contributions of the member are to be provided in the form of an annuity, the aggregate contributions of the member shall be transferred from the annuity savings fund to the retirement reserve fund.

b. During each pay period, there shall be deducted from the payroll of each member of the system the same percentage of compensation for the position held by the member as is required to be contributed by a member of the Public Employees' Retirement System pursuant to section 25 of P.L.1954, c.84 (C.43:15A-25).

Every judge of compensation to whom this act applies shall be deemed to consent and agree to any deduction from the member's compensation required by this act and to all other provisions of this act. Notwithstanding any other law, rule or regulation affecting the salary, pay, compensation, other perquisites, or tenure of person to whom this act applies, or shall apply, and notwithstanding that the minimum salary, pay, or compensation or other perquisites provided by law for the member shall be reduced thereby, payment, less such deductions, shall be a full and complete discharge and acquittance of all claims and demands for service rendered by the member during the period covered by such payment.]"

"[15. The retirement reserve fund shall be the fund from which all pensions and retirement allowances shall be paid.

Upon the retirement of the member, the member's accumulated deductions together with regular interest shall be transferred to the retirement reserve fund from the annuity savings fund. The reserve needed to produce the pension shall be transferred from the contingent reserve fund. If the pension of a member who has been retired is subsequently canceled, the appropriate reserve shall be transferred to the contingent reserve fund. If the retirement allowance of a member who has been retired is subsequently canceled, the appropriate reserve shall be transferred to the annuity savings fund and the contingent reserve fund.

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Any surplus or deficit developing in the retirement reserve fund shall be adjusted from time to time by transfer to or from the contingent reserve fund by appropriate action of the retirement system upon the advice of the actuary.}]

¹[16. The board of trustees at the end of each fiscal year shall allow interest on the balance of the contingent reserve fund, the annuity savings fund, and the retirement reserve fund as of the beginning of said fiscal year at the regular interest rate applicable thereto to cover the interest creditable to the respective funds for the year. The amount so allowed shall be due and payable to the funds and shall be credited annually thereto by the board.}]

¹[17. Regular interest charges payable, the creation and maintenance of reserves in the contingent reserve fund, the maintenance of retirement reserves as provided for in this act, and the payment of all pensions, retirement allowances, and other benefits granted by the board of trustees under the provisions of this act are hereby made obligations of the State. All income, interest, and dividends derived from deposits and investments authorized by this act shall be used for the payment of these obligations of the State.

Upon the basis of such actuarial determination and appraisal provided for in this act, an itemized estimate of the amounts necessary to be appropriated by the State to the various funds to provide for the payment in full during the ensuing fiscal year of the obligations of the State accruing during that year shall be submitted by the retirement system to the Governor so that it may be included in the budget request submitted by the Governor to the Legislature. The Legislature shall make an appropriation sufficient to provide for such obligations of the State. The amounts so appropriated shall be paid into the contingent reserve fund.}]

¹[18. a. No other provisions of the law in any other statute which

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provides wholly or partly at the expense of the State of New Jersey, or any political subdivision thereof, for pensions or retirement benefits for members of this system and for beneficiaries shall apply to such members or beneficiaries.

b. Notwithstanding anything to the contrary, the retirement system shall not be liable for the payment of any pensions, retirement allowances or other benefits to any member or beneficiary for which reserves have not been previously created from funds contributed by the members or the State for such benefits.]]

][19. Any member of the retirement system who has reached the age of 70 years shall be retired forthwith. Any other eligible member of the retirement system may be retired on the first day of the next calendar month subsequent to the filing of a written and duly executed application with the retirement system. Such application shall be accompanied by a copy of the member's resignation which has been filed in the office of the Director of the Division of Workers' Compensation.]]

][20. a. Any member who has served at least 10 years as a judge of compensation and attained the age of 70 years shall be retired.

b. Any member who has served at least 15 years as a judge of compensation and attained the age of 65 years but not the age of 70 years, may retire.

c. Any member who has served at least 20 years as a judge of compensation and attained the age of 60 years but not the age of 65 years, may retire.

d. Any member of the retirement system eligible to retire under the provisions of this section shall receive a retirement allowance consisting of an annuity which shall be the actuarial equivalent of the member's accumulated deductions together with regular interest, and a pension which, when added to the member's annuity, shall provide a retirement allowance during the remainder of the member's life in the amount equal

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to three-quarters of the member's final salary.】'

'[21. a. Any member who has served at least five years successively as a judge of compensation and attained the age of 65 years or more while serving in such office and has served at least 15 years in the aggregate, including such service as a judge, or in an office, position, or employment of this State or of a county, municipality, board of education or public agency of this State, may retire.

b. Any member who has served at least five years successively as a judge of compensation and attained the age of 60 years or more while serving in such office and has served at least 20 years in the aggregate, including such service as a judge, or in an office, position, or employment of this State or of a county, municipality, board of education or public agency of this State, may retire.

c. Any member of the retirement system, eligible to retire under the provisions of this section, shall receive a retirement allowance consisting of an annuity which shall be the actuarial equivalent of the member's accumulated deductions together with regular interest, and a pension which, when added to the member's annuity, shall provide a retirement allowance during the remainder of the member's life in an amount equal to one-half of the member's final salary.】'

'[22. Any member who has served at least five years successively as a judge of compensation and at least 25 years in the aggregate, including such service as a judge or in an office, position, or employment of this State or a county, municipality, board of education, or public agency of this State, and who resigns or is not reappointed before reaching age 60, may elect "early" retirement, provided, that such election is communicated by the member to the retirement system by filing a written application, duly attested, stating at what time subsequent to the execution and filing thereof the member desires to be retired. Any member of the retirement system, eligible to retire under the provisions

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of this section, shall receive a retirement allowance consisting of an annuity which shall be the actuarial equivalent of the member's accumulated deductions together with regular interest, and a pension which, when added to the member's annuity, shall provide a retirement allowance during the remainder of the member's life in the amount of 2% of the member's final salary multiplied by the number of years of service up to 25 plus 1% of the member's final salary multiplied by the number of years of service over 25. Such retirement allowance shall be reduced in accordance with a table of actuarial equivalents recommended by the actuary and adopted by the retirement system reflecting all months that the member lacks of being age 60.

The board of trustees shall retire the member at the time specified or at such other time within one month after the date so specified as the board finds advisable.]¹

¹[23. Any member who has served at least five years successively as a judge of compensation and at least 10 years in the aggregate, including such service as a judge or in an office, position, or employment of this State or a county, municipality, board of education, or public agency of this State, and who resigns or is not reappointed before reaching age 60, and not by removal for cause on charges of misconduct or delinquency, may elect to receive:

a. All of the member's accumulated deductions standing to the credit of the member's individual account in the annuity savings fund, or

b. A deferred retirement allowance, beginning on the first day of the month following the member's attainment of age 60 and the filing of an application therefor, which shall consist of an annuity derived from the accumulated deductions standing to the credit of the member's account in the annuity savings fund at the time of severance from service together with regular interest, and a pension which, when added to the annuity, will produce a retirement allowance in the amount of 2% of the member's final salary multiplied by the number of years of service up to 25 plus 1%

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of the member's final salary multiplied by the number of years of service over 25, provided that such inactive member may elect to receive payments provided under section 22 of this act if the member had qualified under that section at the time of leaving service, except that in order to avail the member of the option, the member shall exercise such option at least one month before the effective date of retirement.

If such inactive member shall die after attaining age 60 but before filing an application for retirement benefits pursuant to this section or section 22 of this act and for which benefits the member would have qualified, or in the event of death after retirement, there shall be paid to such member's beneficiary the death benefits prescribed by section 32 of this act.

No beneficiary shall be eligible for a pension or survivor's benefit if the member who elected to receive a deferred pension prior to the effective date of this act or who elects to receive a deferred retirement allowance following the effective date of this act shall die before attaining age 60. Upon receipt of the proper proofs of death, the beneficiary of a member who elects to receive a deferred retirement allowance shall be paid the member's accumulated deductions at the time of death together with regular interest.

Any member who, having elected to receive a deferred pension or deferred retirement allowance, again becomes a member while under the age of 60, shall thereupon be reenrolled. The member shall be credited with all service as a member standing to the member's credit at the time of the member's election to receive a deferred pension or deferred retirement allowance.]]

¹[24. At the time of retirement, a member shall receive benefits in a retirement allowance payable throughout life, or the member may, on retirement, elect to receive the actuarial equivalent of the member's retirement allowance, in a lesser retirement allowance payable throughout life, with the provision that:

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Option 1. If the member dies before the member has received in payments the present value of the retirement allowance as it was at the time of retirement, the balance shall be paid to the member's legal representative or to such person as the member shall nominate by written designation acknowledged and filed with the retirement system, either in a lump sum or by equal payments over a period of years at the option of the payee. If the member shall have designated a natural person as the payee, said payee may elect to receive such payments in the form of a life annuity.

Option 2. Upon death, the member's retirement allowance shall be continued throughout the life of and paid to such person as the member shall nominate by written designation duly acknowledged and filed with the retirement system at the time of retirement.

Option 3. Upon death, one-half of the member's retirement allowance shall be continued throughout the life of and paid to such person as the member shall nominate by written designation duly acknowledged and filed with the retirement system at the time of retirement.

Option 4. Some other benefit or benefits shall be paid either to the member or to whomever the member nominates, if such other benefit or benefits, together with the lesser retirement allowance, shall be certified by the actuary to be of equivalent actuarial value. In no case, however, shall the lesser retirement allowance be smaller than that provided under Option 2.

If the total amount of benefits paid to a retirant who does not elect to receive benefits in the form of an optional settlement, or to the retirant and the designated beneficiary in the case of a retirant who does so elect, before the death of the retirant or the retirant and the beneficiary is less than the deductions accumulated in the retirant's account at the time of retirement, including regular interest, the balance shall be paid in one lump sum to the retirant's designated beneficiary or estate in the manner provided in section 50 of this act.

If a member dies within 30 days after the date of retirement or the date

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of board approval, whichever is later, the member's retirement allowance shall not become effective and the member shall be considered an active member at the time of death. However, if the member dies after the date the application for retirement was filed with the system, the retirement shall become effective if:

- a. the deceased member had designated a beneficiary under an optional settlement provided by this section; and
- b. the surviving beneficiary requests in writing that the board make such a selection. Upon formal action by the board approving that request, the request shall be irrevocable.

The board may select an Option 3 settlement, on behalf of the beneficiary of a member who applied for and was eligible for retirement but who died prior to the effective date of the retirement allowance, if all of the above conditions, with the exception of paragraph a., are met.]"

"[25. Notwithstanding the provisions of this act or any other law to the contrary, whenever a member of the retirement system elects a retirement allowance which is payable for the life of the member only and terminating at the member's death, without refund of any kind to the spouse, the member shall be required, before electing that benefit, to sign a form stating that the member has elected that benefit, that the member understands that it is payable during the member's lifetime only and that no benefits shall be payable to the member's spouse after death. The division shall notify the member's spouse if the member identifies the spouse on the form. Notification shall be by certified mail to the spouse's address as provided on the form by the member. If the member has not provided an address for the spouse on the form, the division shall send the notice, by certified mail, to the spouse at the member's address. The notice shall advise the spouse that the retirement benefit chosen by the member is payable during the member's lifetime only and that no benefits, other than any applicable life insurance benefits, shall be payable to the beneficiary after the member's death.]"

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¹[26. A member who has 10 or more years of credit for New Jersey service, upon the application of the head of the Department of Labor or upon the member's own application or the application of one acting in the member's behalf, shall be retired for ordinary disability by the board of trustees if the physician or physicians designated by the board shall have first made a medical examination of the member at the member's residence or at any other place mutually agreed upon and shall have certified to the board that the member is physically or mentally incapacitated for the performance of duty and should be retired.]¹

¹[27. A member, upon the application of the head of the Department of Labor or upon the member's own application or the application of one acting in the member's behalf, shall be retired by the board of trustees on an accidental disability allowance, if the member is permanently and totally disabled as a direct result of a traumatic event occurring during and as a result of the performance of regular or assigned duties. A traumatic event occurring during voluntary performance of regular or assigned duties at a place of employment before or after required hours of employment, which is not in violation of any valid work rule of the employer or otherwise prohibited by the employer, shall be deemed as occurring during the performance of regular or assigned duties.

The application to accomplish such retirement shall be filed within five years of the original traumatic event, but the board of trustees may consider an application filed after the five-year period if it can be factually demonstrated to the satisfaction of the board of trustees that the disability is due to the accident and the filing was not accomplished within the five-year period due to a delayed manifestation of the disability or to circumstances beyond the control of the member.

Permanent and total disability resulting from a cardiovascular, pulmonary or musculo-skeletal condition which was not a direct result of a traumatic event occurring in the performance of duty shall be deemed

an ordinary disability.

Before consideration of the application by the board of trustees, (1) the physician or physicians designated by the board shall have first made a medical examination of the member at the member's residence or at any other place mutually agreed upon and shall have certified to the board that the member is physically or mentally incapacitated for the performance of duty, and should be retired, and (2) the appointing authority shall have certified to the board of trustees that the member is permanently and totally disabled as a direct result of a traumatic event occurring during and as a result of the performance of regular or assigned duties, the time and place where the duty causing the disability was performed, that the disability was not the result of willful negligence and that the member should be retired.]]'

'[28. a. Once each year, the retirement system may, and upon the member's application shall, require any disability retirant who is under the age of 60 years to undergo medical examination by a physician or physicians designated by the system for a period of five years following the retirement in order to determine whether or not the disability which existed at the time the member was retired has vanished or has materially diminished. If the disability retirant is engaged in an occupation, then the amount of the pension shall be reduced to an amount which, when added to the amount then earned, shall not exceed the amount of the salary now attributable to the member's former position. If the member's earnings have changed since the date of the last adjustment, then the amount of the pension may be further altered, but the new pension shall not exceed the amount of pension originally granted.

If a disability retirant, while under the age of 60 years, refuses to submit to at least one medical examination in any year by a physician or physicians designated by the system, the member's pension shall be discontinued until withdrawal of the refusal. If the report of the medical board shall show that such retirant is able to perform either the former

duty or other comparable duty which the member's former employer is willing to assign to the member, the disability retirant shall report for duty. Such a disability retirant shall not suffer any loss of benefits while the retirant awaits restoration to active service. If the disability retirant fails to return to duty within 10 days after being ordered so to do, or within such further time as may be allowed by the board of trustees for valid reason, as the case may be, the pension shall be discontinued during such default.

b. If a disability retirant becomes employed again in a position which makes the retirant eligible to be a member of the retirement system, the retirement allowance and the right to any death benefit as a result of former membership, shall be canceled until the member again retires.

Such person shall be reenrolled in the retirement system and shall contribute thereto at a rate based on age at the time of the prior enrollment. Such person shall be treated as an active member for determining disability or death benefits while in service and no benefits pursuant to an optional selection with respect to the member's former membership shall be paid if death shall occur during the period of such reenrollment.

Upon subsequent retirement, the member shall receive a retirement allowance based on all service as a member computed in accordance with applicable provisions of this act, but the total retirement allowance upon subsequent retirement shall not be a greater proportion of the member's final compensation than the proportion to which the member would have been entitled had the member remained in service during the period of prior retirement. Any death benefit to which such member shall be eligible shall be based on the member's latest retirement.]]

[29. Upon retirement for ordinary disability, a member shall receive a retirement allowance consisting of an annuity which shall be the actuarial equivalent of the member's accumulated deductions together with regular interest, and a pension, which when added to the member's

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annuity, will provide a retirement allowance of $1\frac{1}{2}$ % of final compensation multiplied by the member's number of years of creditable service, provided that, in no event shall the allowance be less than 40% of final salary, except that in no case shall the rate of allowance exceed $\frac{9}{10}$ of the retirement allowance which the member would have received had the member remained in service from the date of retirement to age 70.

Upon the receipt of proper proofs of the death of a member who retired on an ordinary disability retirement allowance, there shall be paid to such member's beneficiary, an amount equal to one and one-half times the compensation upon which contributions by the member to the annuity savings fund were based in the last year of creditable service; provided, however, that if such death shall occur after the member shall have attained age 60, the amount payable shall equal one-fourth of such compensation.]]'

[[30. Upon retirement for accidental disability, a member shall receive a retirement allowance consisting of an annuity which shall be the actuarial equivalent of the member's accumulated deductions together with regular interest, and a pension which, when added to the member's annuity, will provide a retirement allowance of $\frac{2}{3}$ of the member's actual annual compensation for which contributions were being made at the time of the occurrence of the accident.

Upon receipt of proper proofs of the death of a member who retired on an accidental disability retirement allowance, there shall be paid to such member's beneficiary, an amount equal to one and one-half times the compensation upon which contributions by the member to the annuity savings fund were based in the last year of creditable service; provided, however, that if such death shall occur after the member shall have attained age 60, the amount payable shall equal one-fourth of such compensation.]]'

[[31. a. Upon the receipt of proper proofs of the death in active

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service of a member of the retirement system, there shall be paid to the member's widow a survivor's benefit of 25% of final salary for the use of the widow, to continue during widowhood, plus 10% of final salary payable to one surviving child or plus 15% of final salary to two or more surviving children; if there is no surviving widow or in case the widow dies or remarries, 15% of final salary shall be payable to one surviving child, 20% of final salary to two surviving children in equal shares and if there are three or more children, 30% of final salary shall be payable to such children in equal shares. If there is no surviving widow or child, 20% of final salary shall be payable to one surviving parent or 30% of final salary shall be payable to two surviving parents in equal shares.

b. In addition to the benefits payable under subsection a., there shall also be paid in one sum to the member's beneficiary an amount equal to one and one-half times the final salary received by the member.

c. For the purposes of this section, final salary means the current salary for the position in which the member served at the time of death.

d. The eligibility of a widow or widower to receive a survivor's benefit shall be considered terminated by the marriage of the widow or widower subsequent to the member's death.]]

^[32. a. Upon the receipt of proper proofs of the death of a member who has retired on a pension or retirement allowance based on age and service, or pursuant to section 22 of this act, there shall be paid to the member's beneficiary, an amount equal to one-fourth of the final salary received by the member.

b. Upon the receipt of proper proofs of the death of a member who has retired on a disability pension or retirement allowance, there shall be paid to the member's beneficiary, an amount equal to one and one-half times the final salary received by the member if such death occurs before the member shall have attained 60 years of age but if such death occurs thereafter, an amount equal to one-fourth of the final salary received by the member.]]

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'[33. Any other provision of this act notwithstanding, (a) no beneficiary of a retirant who retired for any reason other than disability shall be entitled to receive benefits pursuant to the death benefit coverages provided by section 32 of this act if the retirant had less than 10 years of service credit for retirement purposes at the time of retirement; and (b) no member or beneficiary shall be entitled to receive a monthly pension, retirement allowance or other benefit payable pursuant to this act unless the amount of the pension, retirement allowance or benefit would be at least \$25 per month.】'

'[34. a. Each member of the retirement system on the effective date of this act and each person who thereafter becomes a member shall be eligible to purchase the additional death benefit coverage hereinafter described, provided the member selects such coverage within one year after that effective date or after the effective date of membership, whichever date is later.

b. A person becoming a member of the retirement system after the effective date of this act who on the date of becoming a member is less than 60 years of age shall automatically be covered for such additional death benefit coverage from the first day of membership on which the person is actively at work and performing all regular duties at the customary place of employment. Such automatic coverage shall continue during the member's first year of membership, and during that year the member shall make contributions as fixed by the retirement system. Additional death benefit coverage for the member shall continue in effect after the first year of membership on the continuance of payment of the required contributions therefor.

c. A person becoming a member of the retirement system after the effective date of this act who on the date of becoming a member is 60 or more years of age may, within one year from the date of membership, elect to purchase such additional death benefit coverage, provided that the member furnishes satisfactory evidence of insurability and on the date of

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such election is actively at work and performing all regular duties at the customary place of employment.

d. Notwithstanding other provisions of this section relating to the amount of death benefit applicable to a member who has acquired or shall acquire additional death benefit coverage, the death benefit payable in the event of death occurring on or after the effective date of this act and during the first year of membership shall be based upon the member's annual base salary. The effective date of coverage of any person electing to purchase additional death benefit coverage pursuant to the provisions of subsection a. or c. shall be the first day of the month immediately following the date of such election unless evidence of insurability is required as a condition of such election in which event the effective date of coverage shall be the first day of the month which immediately follows the later of (1) the date of such election, or (2) the date such evidence is determined to be satisfactory.

e. The board of trustees shall establish schedules of contributions to be made by the members who elect to purchase the additional death benefit coverage. Such contributions shall be so computed that the contributions made by or on behalf of all covered members in the aggregate shall be sufficient to provide for the cost of the benefits provided under this section. Such schedules of contributions shall be subject to adjustment from time to time by the board of trustees, as the need may appear.

f. Upon the receipt of proper proofs of the death in service of any such member while covered for the additional death benefit coverage there shall be paid to such person, if living, as the member shall have nominated by written designation duly executed and filed with the board of trustees, otherwise to the executor or administrator of the member's estate, an amount equal to one and one-half times the compensation received by the member in the last year of creditable service or some lesser amount as may be provided by the board of trustees and elected to purchase by the member.

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g. The contributions of a member for the additional death benefit coverage shall be deducted from the member's compensation, but if there is no compensation from which such contributions may be deducted it shall be the obligation of the member to make such contributions directly to the board of trustees or as directed by the board of trustees.

h. Any other provision of this act notwithstanding, the contributions of a member for the additional death benefit coverage under this section shall not be returnable to the member or the member's beneficiary in any manner, or for any reason whatsoever, nor shall any contributions made for the additional death benefit coverage be included in any annuity payable to any such member or beneficiary.

i. A member who has elected to purchase the additional death benefit coverage provided by this section may file with the retirement system, and alter from time to time during the member's lifetime as desired, a duly attested nomination of the payee of the death benefit provided under this section. Such member may also file with the retirement system, and alter from time to time during the member's lifetime as desired, a request directing payment of said benefit in one sum or in equal annual installments over a period of years or as a life annuity. Any such nomination or request shall be made in writing on a form satisfactory to the retirement system and shall be effective upon receipt by the retirement system. Upon the death of such member, a beneficiary to whom a benefit is payable in one sum may elect to receive the amount payable in equal annual installments over a period of years or as a life annuity. If more than one beneficiary is nominated and the member has not specified their respective interests, the beneficiaries shall share equally. If any beneficiary predeceases the member, the interest of that beneficiary shall terminate and shall be shared equally by such of the beneficiaries as survive the member unless the member has made written request to the contrary in the beneficiary nomination. Any amounts due for which there is no beneficiary at the death of the member or beneficiary shall be payable to the estate of the member or beneficiary.

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j. All other provisions of this section notwithstanding, this section and the benefits provided under this section shall not come into effect until a required percentage of the members shall have applied for the additional death benefit coverage under this section. This required percentage shall be fixed by the board of trustees. Applications for such additional death benefit coverage shall be submitted to the secretary of the board of trustees in such manner and upon such forms as the board shall provide.]]

¹[35. The designation of beneficiary by a member or retirant for death benefits shall be made in writing on a form satisfactory to the retirement system, and filed with the retirement system. The member or retirant may, from time to time and without the consent of the death benefit beneficiary, change the beneficiary by filing written notice of the change with the system on a form satisfactory to it. The new designation shall be effective on the date the notice, in proper form, is received by the system, and any prior designation shall thereupon become void.

If more than one beneficiary is designated and in such designation the member or retirant has failed to specify their respective interests, the beneficiaries shall share equally. If any beneficiary predeceases the member or retirant, the interest of such beneficiary shall terminate and shall be shared equally by such of the beneficiaries as survive the member or retirant, unless the member or retirant has made written request to the contrary in the beneficiary designation.

Any amounts due for which there is no beneficiary at the death of a member, retirant or beneficiary shall be payable to the estate of such member, retirant or beneficiary.

Except with regard to the payment of one-fourth of final salary upon the death of a retirant as provided in sections 29, 30, and 32, a member may elect, by making written request to the retirement system, that the whole or any part of the member's death benefits be made payable to a beneficiary either as a life annuity or in equal installments over a period of years specified in such election, and may alter such election from time to time during the member's lifetime by again making such written

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request. In the event of a change of beneficiary, any previous arrangement by the member or retirant under this paragraph shall be void.

The election set forth in this paragraph shall not apply or be available when the beneficiary is an estate, or corporation, partnership, association, institution, trustee, or any fiduciary.

If, at the member's or retirant's death, an amount of death benefit would be payable to the beneficiary in a single sum, any election with regard to such amount which was available to the member or retirant immediately prior to death in accordance with the provisions of the immediately preceding paragraph shall then be available to such beneficiary for the benefit of such beneficiary.]]

[[36. The State Treasurer is hereby authorized and permitted to purchase from one or more life insurance companies, as determined by the Treasurer, group life insurance coverage to provide for the death benefits specified in subsection b. of section 31 and sections 29, 30, and 32 of this act. The board of trustees is hereby authorized and permitted to purchase from one or more life insurance companies, as determined by it, a policy or policies of group life insurance to provide for the benefits specified in section 34 of this act. Such group life insurance coverage may be provided under one or more policies issued to the State Treasurer specifically for this purpose or, in the discretion of the State Treasurer, under one or more policies issued to the State Treasurer which provide group life insurance coverage for members of one or more other retirement systems of the State of New Jersey. Whenever such policy or policies of group insurance shall be in effect, the benefits payable thereunder shall be in lieu of the above mentioned death benefits provided by said sections.

Any dividend or retrospective rate credit allowed by an insurance company shall be credited in an equitable manner to the special insurance funds from which premiums are paid.]]

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¹[37. Any life insurance company shall meet the following requirements in order to qualify under section 36 of this act:

a. be licensed under the laws of the State to transact life and accidental death insurance; and

b. the amount of its group life insurance in the State of New Jersey shall at the time said insurance is to be purchased equal at least 1% of the total amount of such group life insurance in the State in all life insurance companies.]¹

¹[38. The State Treasurer may, in the Treasurer's discretion, determine to purchase group life insurance coverage for the death benefit provisions as provided in subsection b. of section 31 and sections 29, 30, and 32 of this act, or may determine not to purchase any group life insurance coverage for the death benefit provisions heretofore mentioned. The board of trustees may, in its discretion, determine to purchase group life insurance coverage for the additional death benefit coverage provided in section 34 of this act or may also, in its discretion, determine not to purchase any group life insurance coverage for the additional death benefit coverage provided in section 34 of this act.]¹

¹[39. In the event the State Treasurer shall determine to purchase group life insurance coverage for the death benefits, premiums for the same shall be paid from a special fund, hereby created, called the Group Insurance Premium Fund. The State Treasurer shall estimate annually the amount which shall be required for premiums for such benefits for the ensuing fiscal year. The State shall pay over to the State Treasurer the amount so required, who shall deposit it in the fund. During the period such group insurance policy or policies are in effect, the State Treasurer shall in no way commingle moneys in this fund with any pension fund established by this act.

In the event that the board of trustees shall determine to purchase group life insurance coverage for the additional death benefit coverage,

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premiums for the same shall be paid from a special fund hereby created called the Contributory Group Insurance Premium Fund. While such group coverage shall be in force, the contributions from the compensation of the members or by other means to provide such optional additional death benefits shall be accumulated in said fund.]¹

¹[40. Any such group policy or policies shall include, with respect to any insurance terminating or reducing because an insured person has ceased to be in active service or has retired, the conversion privilege available upon termination of employment as prescribed by the law relating to group life insurance, and shall also include, with respect to insurance terminating because of termination of the group policy resulting from a termination of all death benefits established under subsection b. of section 31 and sections 29, 30, 32 and 34 of this act, the conversion privilege available upon termination of the group policy as prescribed by such law. Any such group policy or policies shall also provide that if an insured person dies during the 31-day period during which that person would be entitled to exercise the conversion privilege, the amount of insurance with respect to which the person could have exercised the conversion privilege shall be paid as a claim under the group policy.

If any member who has exercised the conversion privilege under the group policy or policies again becomes a member of the retirement system, and the individual policy obtained pursuant to the conversion privilege is still in force, the member shall not again be eligible for any of the death benefits provided by subsection b. of section 31 and sections 29, 30, 32, and 34 of this act, unless the member furnishes satisfactory evidence of insurability.

When benefits payable upon the death of a member following retirement are determined as though the member were an active member at the time of death, the death benefit payable under the group policy or policies together with the amount of insurance paid under any individual policy obtained under the conversion privilege, shall in no event exceed

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the amount of insurance for which the member was insured under the group policy or policies immediately prior to the date the right of conversion arose.]]'

¹[41. Benefits under such group policy or policies shall be paid by the insurance company to such beneficiary, if living, as the insured person shall have nominated by written designation duly executed and filed with the insurance company through the policyholder, or otherwise to the executors or administrators of the insured person's estate. An insured person may file with the insurance company through the policyholder and alter from time to time during the person's lifetime, as desired, a duly attested written nomination of the beneficiary for the death benefit.]]'

¹[42. Any such group policy or policies shall provide that payment of any death benefits which are payable by the insurance company may be made in one sum directly to the beneficiary as hereinafter provided, in equal installments over a period of years or as a life annuity or in such other manner as may be made available by the insurance company. An insured person may make arrangements for settlement, and may alter from time to time during the person's lifetime any arrangement previously made, by making written request to the insurance company through the policyholder. Upon the death of an insured person, a beneficiary to whom a benefit is payable in one sum by the insurance company may likewise arrange for a settlement as described above. If an insured person's or beneficiary's request for settlement of any death benefit in equal installments over a period of years or as a life annuity pursuant to the foregoing is approved by the policyholder, the amount of such installment or such life annuity, as the case may be, shall be determined on the basis of such applicable mortality tables as shall have been adopted by the retirement system and are in effect at the death of the insured person. Any arrangement for payment under the group policy to a beneficiary shall be in lieu of that provided by subsection b. of section 31

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and sections 29, 30, 32 and 34 of this act.]]

[43. Notwithstanding any other provision of law, any insurance company or companies issuing such policy or policies may credit the policyholder, in the form of reduced premiums, with savings by said company or companies in the event that no brokerage commission or commissions are paid by said company or companies on the issuance of such policy or policies.]]

[44. a. Any judge of compensation who is required to be a member of the retirement system established by this act and who holds membership in a retirement system established pursuant to any other law of this State shall cease to be a member of such other retirement system as of the effective date of this act. Any person becoming a judge of compensation after the effective date of this act, who holds membership in a retirement system established pursuant to any other law of this State shall cease to be a member of such other retirement system on the date the person becomes such judge.

b. Any such judge shall, upon request, receive a refund of the person's contributions to such other retirement system, without interest, less any unpaid balance of an outstanding loan, as of the effective date of this act or the date on which the person becomes such judge, whichever is later.

If any such judge shall be eligible for benefits under any such other retirement system as of the effective date of this act, or if later, as of the date the person becomes such judge, the person may elect to receive an annuity based on the person's own contributions while continuing to serve as such judge; provided, however, that if any such judge shall subsequently elect to receive benefits under the provisions of this act, all rights to retirement and death benefits under any other law of this State shall thereby be terminated, except as hereinafter provided in subsection c.

c. If any such judge elects to receive benefits pursuant to the

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provisions of this act after having received benefits from a retirement system established pursuant to another law of this State, such judge shall be entitled to receive the value of the judge's contributions, without interest, to such other retirement system reduced by the value of any benefits received from such other retirement system.

If any such judge dies in service before the judge could elect to receive the benefits pursuant to the provisions of this act, after having received benefits from a retirement system established pursuant to another law of this State, the judge's eligible beneficiary shall be entitled to receive the value of the member's contributions, without interest, to such other retirement system reduced by the value of any benefits received by the judge from such other retirement system.

d. After the effective date of this act, any person appointed to be a judge of compensation who holds membership in a State-administered retirement system may elect to transfer the service for which the person has been credited in that system to the retirement system. The transfer shall be accomplished by filing forms satisfactory to the division within 90 days following the effective date of this act or appointment as a judge of compensation, whichever is later.

e. Within 120 days following the filing of forms provided in subsection d., the former retirement system of the judge shall remit to the Workers Compensation Judges Retirement System all accumulated deductions standing to the judge's credit and within 180 days following the filing of the forms, the former retirement system shall remit the pro rata part of the reserve fund constituting the employer's obligations under the former system applicable to the member's account, and the Workers Compensation Judges Retirement System shall then enter the respective sums so remitted to it to the credit of the judge in the annuity savings fund and to the credit of the employer in the contingency reserve fund of the Workers Compensation Judges Retirement System. All outstanding obligations such as loans, purchases, and other arrearage shall be met by the judge as previously scheduled for payment to the judge's former

retirement system.

f. In the event that the value of the money so remitted to the Workers Compensation Judges Retirement System is less than the total value which is required by the retirement system to provide the transferred member with credit for the public service, the liability of the State shall include an amount equal to the difference between these two values.]¹

¹[45. a. Any judge of compensation who is required to be a member of the retirement system and who is receiving a retirement allowance or pension from a retirement system established pursuant to any other law of this State may elect to terminate the retirement status in such other system by filing a proper form waiving all of the judge's rights and privileges in such other system or the judge may elect to continue the receipt of the retirement allowance or pension by filing a proper form with the Workers Compensation Judges Retirement System expressing a final and irrevocable intention not to enroll as a member of the Workers Compensation Judges Retirement System. Such waivers shall be filed within 90 days from the date of the judge's appointment.

b. The judge who elects to enroll in the Workers Compensation Judges Retirement System after having received benefits from a retirement system established pursuant to another law of this State shall be entitled to receive the value of the judge's contributions, without interest, to such other retirement system reduced by the value of any benefits received from such retirement system.

c. The judge who elects to enroll in the Workers Compensation Judges Retirement System shall be eligible for all the benefits of the system and receive credit for all public service which would otherwise be credited to the account of any other member.

d. Notwithstanding filing a proper form expressing a final and irrevocable intention not to enroll as a member of the Workers Compensation Judges Retirement System pursuant to subsection a., the judge who elects to continue the receipt of a retirement allowance or

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pension shall be eligible for the death benefits available to judges of compensation during tenure pursuant to subsection b. of section 31 of this act and shall be eligible to purchase the additional death benefit coverage pursuant to section 34 of this act.]]

¹[46. a. Following the effective date of this act, any judge of compensation who wishes to receive credit for previous service rendered in an office, position or employment of this State or of a county, municipality, board of education, or public agency of this State, shall file an application therefor with the board of trustees and pay into the annuity savings fund the amount required by applying the factor, supplied by the actuary, as being applicable to the judge's age at the time of purchase, to the member's salary at that time. Such purchase may be made in regular installments, equal to at least one-half the full normal contribution to the retirement system over a maximum period to be determined by the board of trustees.

In the case of any person coming under the provisions of this section, full pension credit for the period of employment for which arrears are being paid shall be given upon the payment of at least one-half the total arrearage obligation and the completion of one year of membership and the making of such arrears payments, except that in the case of retirement pursuant to sections 21, 22 or 23, the total membership credit for such service shall be in direct proportion as the amount paid bears to the total amount of arrearage obligation.

b. The State shall pay to the retirement system the employer's accrued liability obligation on behalf of such person purchasing prior service credit.]]

¹[47. No public employee veteran eligible for membership in the retirement system established by this act shall be eligible for, or receive, retirement benefits under R.S.43:4-1, 43:4-2, and 43:4-3.]]

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¹[48. Any member who has at least three years of service to the member's credit for which the member has contributed as a member may borrow from the retirement system, an amount equal to not more than 50% of the amount of the member's accumulated deductions, but not less than \$50; provided, that the amount so borrowed, together with interest thereon, can be repaid by additional deductions from compensation, not in excess of 25% of the member's compensation, made at the same time compensation is paid to the member. The amount so borrowed, together with interest at the rate of 4% per annum on any unpaid balance thereof, shall be repaid to the retirement system in equal installments by deduction from the compensation of the member at the time the compensation is paid or in such lump sum amount to repay the balance of the loan, but such installments shall be at least equal to the member's rate of contribution to the retirement system and at least sufficient to repay the amount borrowed with interest thereon. Not more than two loans may be granted to any member in any calendar year. Notwithstanding any other law affecting the salary or compensation of any person or persons to whom this act applies or shall apply, the additional deductions required to repay the loan shall be made.

Loans shall be made to a member from the member's accumulated deductions. The interest earned on such loans shall be treated in the same manner as interest earned from investments of the retirement system.]¹

¹[49. In the case of any member who retires without repaying the full amount so borrowed, the division shall deduct from the retirement benefit payments the same monthly amount which was deducted from the compensation of the member immediately preceding retirement until the balance of the amount borrowed together with the interest at the rate of 4% per annum is repaid. In the case of a retirant who dies before the outstanding balance of the loan and interest thereon has been recovered, the remaining balance shall be repaid from the proceeds of any other benefits payable on the account of the retirant either in the form of

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monthly payments due to the retirant's beneficiaries or in the form of lump sum payments payable for pension or group life insurance.}]'

'[50. A pension, an annuity or a retirement allowance granted under the provisions of this act shall be effective only on the first day of a month, shall be paid in equal monthly installments, and shall not be decreased, increased, revoked or repealed, except as otherwise provided in this act; provided, however, that at the time any benefit becomes payable any unpaid balance of a loan or arrearage outstanding shall be deducted from any benefit otherwise payable.

Upon the death of a retirant, any unpaid benefits due shall be paid in one lump sum to such person, if living, as the retirant shall have nominated by written designation duly executed and filed with the board of trustees, otherwise to the executor or administrator of the retirant's estate. No pension, annuity or retirement allowance shall be due to a retirant or beneficiary unless it constitutes a payment for an entire month; provided, however, that a pension, annuity or retirement allowance shall be payable for the entire month in which the retirant or beneficiary dies.}]'

'[51. Should any change or error in the records of this retirement system result in any member or person receiving from the retirement system more or less than the member or person would have been entitled to receive had the records been correct, the retirement system, as far as practicable, shall correct such error and adjust the payments in such manner that the actuarial equivalent of the benefit to which the member or beneficiary was correctly entitled shall be paid.}]'

'[52. Any member or any beneficiary who has been or, in the future, may be retired, or receive a pension, retirement allowance or benefit pursuant to the provisions of this act, may, by filing written request with the retirement system, waive payment of a portion of the pension,

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retirement allowance or benefit to which the person may be entitled.

Upon the receipt of such waiver, and until the same is withdrawn, altered or revoked by a subsequent written request, similarly filed, the retirement system shall pay a reduced pension, retirement allowance or benefit, as shall be requested in such waiver. The member or the beneficiary shall not be entitled to a refund, or credit, for such moneys as shall have been waived during the period such waiver had been in effect.}]'

¹[53. If possible, whenever any retirant or beneficiary, in writing, shall request the division to make deductions from a pension or retirement allowance for the purpose of paying premiums for the pensioner's group health insurance plan or the State Health Benefits Program, the division may make such deductions and transmit the sums so deducted to the companies carrying the policies or the program, as the case may be. Any such written authorization may be withdrawn by any retirant or beneficiary upon filing notice of such withdrawal with the division.}]'

¹[54. The right of a person to a pension, retirement allowance or any benefit or right accrued or accruing to a person under the provisions of this act and the moneys in the various funds created under this act, shall be exempt from any State or municipal tax and from levy and sale, garnishment, attachment or any other process arising out of any State or federal court, and, except as hereinafter in this section and as in this act otherwise provided, shall be unassignable.

Nothing in this section shall prohibit any person insured under a group insurance policy, pursuant to an arrangement among the insured, the group policyholder and the insurer, from making to any person other than the person's employer, a gift assignment of the rights and benefits conferred on the person by any provision of such policy or by law including specifically, but not by way of limitation, the right to exercise

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the conversion privilege and the right to name a beneficiary. Any such assignment, whether made before or after the effective date of this act, shall entitle the insurer to deal with the assignee as the owner of all rights and benefits conferred on the insured under the policy in accordance with the terms of the assignment.]]

[55. For the purposes of subsection b. of section 31 of this act a member shall be deemed to be an active member for a period of no more than 93 days while on official leave of absence without pay when such leave is due to any reason other than illness, or for a period of no more than two years while on an official leave of absence without pay if satisfactory evidence is presented to the retirement system that such leave of absence without pay is due to the member's personal illness.

In order for a member to be covered hereunder for the death benefit coverage provided by section 34 of this act, the member shall continue to make contributions for same during the period such member is on official leave of absence without pay, except that when such official leave of absence without pay is due to illness, no contribution shall be required of the member during the period the member is deemed to be an active member while on such leave of absence.

If a member dies within 30 days after the date of retirement or the date of board approval, whichever is later, a death benefit shall be payable only if the member is deemed to be an active member in accordance with this section; provided, however, a member applying for disability benefits shall be deemed an active member if the member was covered by the death benefit provisions of this act at the termination of employment, filed the application for disability retirement with the retirement system within 30 days following such termination of employment and dies within 30 days after the date of retirement or the date of board approval, whichever is later.]]

[56. Notwithstanding subsection a. of section 44 of this act, any judge

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of compensation who is required to be a member of the retirement system and who holds membership in the Public Employees' Retirement System, P.L.1954, c.84 (C.43:15A-1 et seq.), on the effective date of this act may elect to continue membership in the Public Employees' Retirement System by filing, within 30 days of the effective date of this act, a proper form with the Workers Compensation Judges Retirement System expressing a final and irrevocable intention not to enroll as a member of the Workers Compensation Judges Retirement System.]]'

'[57. Notwithstanding the provisions of section 20 of P.L.1999, c.380 (C.34:15-49.3) and section 19 of this act, any judge of the Division of Workers' Compensation who was 60 years of age on the effective date of P.L.1999, c.380 shall be permitted to continue service as a judge until attaining 10 years of service credit under the "Public Employees' Retirement System Act," P.L.1954, c.84 (C.43:15A-1 et seq.) or the "Workers Compensation Judges Retirement System Act," P.L. , c. (C.) (now pending before the Legislature as this bill).]]'

'[58. This act shall take effect immediately.]]'

'1. As used in this act, P.L. , c. (C.43:15A-) (now pending before the Legislature as this bill):

"Aggregate public service" includes service as a workers compensation judge and in an office, position, or employment of this State or of a county, municipality, board of education, or public agency of this State.

"Beneficiary" means any person entitled to receive any benefit pursuant to the provisions of this act by reason of the death of a member or retirant.

"Child" means a deceased member's or retirant's unmarried child who is (a) under the age of 18; (b) of any age who, at the time of the member's or retirant's death, is disabled because of mental retardation or physical

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incapacity, is unable to do any substantial, gainful work because of the impairment, and the impairment has lasted or can be expected to last for a continuous period of not less than 12 months, as affirmed by the medical board; or (c) under the age of 21 and is attending school full time.

"Final salary" means the annual salary received by the member at the time of retirement or death.

"Retirant" means any former member receiving a pension or retirement allowance as provided by this act.

"Widow" means the woman to whom a member was married at least four years before the date of his death and to whom he continued to be married until the date of his death. The eligibility of a widow to receive a survivor's benefit shall be considered terminated by the marriage of the widow subsequent to the member's or the retirant's death. In the event of accidental death, the four-year qualification shall be waived. When used in this act, the term "widow" shall mean and include "widower" as may be necessary and appropriate to the particular situation.

"Widower" means the man to whom a member was married at least four years before the date of her death and to whom she continued to be married until the date of her death. The eligibility of a widower to receive a survivor's benefit shall be considered terminated by the marriage of the widower subsequent to the member's or the retirant's death. In the event of accidental death, the four-year qualification shall be waived.

"Workers compensation judges" means the Chief Judges, administrative supervisory judges, supervisory judges and judges of compensation of the Division of Workers' Compensation of the Department of Labor.¹

^{12.} Notwithstanding the provisions of any other law, workers compensation judges shall be members of the Workers Compensation Judges Part, established pursuant to this act, P.L. , c. (C.)(now

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pending before the Legislature as this bill), of the Public Employees' Retirement System, established pursuant P.L.1954, c.84 (C. 3:15A-1 et seq.), and shall be subject to the same membership and benefit provisions as State employees, except as provided by P.L. , c. (now pending before the Legislature as this bill). Membership in the retirement system shall be a condition of employment for service as a judge of compensation.¹

13. a. Notwithstanding the provisions of section 25 of P.L.1954, c.84 (C.43:15A-25) to the contrary, a separate account shall be established in the annuity savings fund for each workers compensation judge and all contributions based on the judge's salary shall be credited to this account. This account shall be separate from any other account that the member may have as a result of other public service covered by the retirement system.

b. A workers compensation judge shall contribute at a rate equal to 5% of the judge's salary, which contribution shall be deducted from the salary at the time or times it is paid, and which shall be exclusive of any other contribution required of the member for Social Security, contributory death benefits or deductions for any other purpose.

c. A workers compensation judge who is enrolled on the basis of other public service before, during, or after service as a judge of compensation judge shall contribute for such other service at the rate of contribution required of other members as provided by section 25.¹

¹4. a. Any workers compensation judge who has reached the age of 70 years shall be retired forthwith on the first day of the next calendar month. Any other eligible workers compensation judge may be retired on the first day of the next calendar month subsequent to the filing of a written and duly executed application with the retirement system. Such application shall be accompanied by a copy of the member's resignation which has been filed in the office of the Director of the Division of

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b. Notwithstanding the provisions of subsection a. of this section or any other law to the contrary, a workers compensation judge who is 60 years of age or older on the effective date of P.L.1999, c.380 shall be permitted to continue service as a judge until attaining 10 years of service credit under the Workers Compensation Judges Part of the retirement system.¹

^{15.} Any workers compensation judge who has served at least 10 years as a judge of compensation and attained the age of 70 years shall be retired and shall receive the retirement allowance prescribed by this section. Any workers compensation judge who has served at least 15 years as a judge of compensation and attained the age of 65 years, or served at least 20 years as a judge of compensation and attained the age of 60 years, may retire and receive the retirement allowance prescribed by this section. The retirement allowance shall consist of an annuity that shall be the actuarial equivalent of the member's accumulated deductions together with regular interest, and a pension that, when added to the member's annuity, shall provide a retirement allowance during the remainder of the member's life in the amount equal to three-quarters of the member's final salary.¹

^{16.} Any workers compensation judge who has:

a. served at least five years successively as a judge of compensation and attained the age of 65 years or more while serving in such office and has served at least 15 years of aggregate public service, or

b. served at least five years successively as a judge of compensation and attained the age of 60 years or more while serving in such office and has served at least 20 years of aggregate public service, may retire and receive the retirement allowance prescribed by this section. The retirement allowance shall consist of an annuity that shall be the actuarial equivalent of the member's accumulated deductions together with regular interest, and a pension that, when added to the member's annuity, shall

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provide a retirement allowance during the remainder of the member's life in an amount equal to one-half of the member's final salary.¹

^{17.} Any workers compensation judge who has served at least five years successively as a judge of compensation and at least 25 years of aggregate public service, and who resigns or is not reappointed before reaching age 60, may elect "early" retirement, provided, that such election is communicated by the member to the retirement system by filing a written application, duly attested, stating at what time subsequent to the execution and filing thereof the member desires to be retired. Any member of the retirement system, eligible to retire under the provisions of this section, shall receive a retirement allowance consisting of an annuity which shall be the actuarial equivalent of the member's accumulated deductions together with regular interest, and a pension which, when added to the member's annuity, shall provide a retirement allowance during the remainder of the member's life in the amount of 2% of the member's final salary multiplied by the number of years of service up to 25 plus 1% of the member's final salary multiplied by the number of years of service over 25. Such retirement allowance shall be reduced in accordance with a table of actuarial equivalents recommended by the actuary and adopted by the retirement system reflecting all months that the member lacks of being age 60. The board of trustees shall retire the member at the time specified or at such other time within one month after the date so specified as the board finds advisable.¹

^{18.} Any workers compensation judge who has served at least five years successively as a judge of compensation and at least 10 years of aggregate public service, and who resigns or is not reappointed before reaching age 60, and not by removal for cause on charges of misconduct or delinquency, may elect to receive:

a. all of the member's accumulated deductions standing to the credit of the member's individual account in the annuity savings fund as

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provided under subsection a. of section 41 of P.L.1954, c.84 (C.43:15A-41), or

b. a deferred retirement allowance, beginning on the first day of the month following the member's attainment of age 60 and the filing of an application therefore, which shall consist of an annuity derived from the accumulated deductions standing to the credit of the member's account in the annuity savings fund at the time of severance from service together with regular interest, and a pension which, when added to the annuity, shall produce a retirement allowance in the amount of 2% of the member's final salary multiplied by the number of years of service up to 25 plus 1% of the member's final salary multiplied by the number of years of service over 25, provided that such inactive member may elect to receive payments provided under section 7 of this act P.L. , c. (C.)(now pending before the Legislature as this bill) if the member had qualified under that section at the time of leaving service, except that in order to avail the member of the option, the member shall exercise such option at least one month before the effective date of retirement.

If such inactive member shall die after attaining age 60 but before filing an application for retirement benefits pursuant to this section or section 7 of this act and for which benefits the member would have qualified, or in the event of death after retirement, there shall be paid to such member's beneficiary the death benefits prescribed by section 10 of this act.

No beneficiary shall be eligible for a pension or survivor's benefit if the member who elected to receive a deferred pension shall die before attaining age 60. Upon receipt of the proper proofs of death, the beneficiary of a member who elects to receive a deferred retirement allowance shall be paid the member's accumulated deductions at the time of death together with regular interest.

Any member who, having elected to receive a deferred pension or deferred retirement allowance, again becomes a member while under the age of 60, shall thereupon be reenrolled. The member shall be credited

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with all service as a member standing to the member's credit at the time of the member's election to receive a deferred pension or deferred retirement allowance.¹

¹9. a. Upon the receipt of proper proofs of the death in active service of a workers compensation judge member of the retirement system, there shall be paid to the member's widow a survivor's benefit of 25% of final salary for the use of the widow, to continue during widowhood, plus 10% of final salary payable to one surviving child or plus 15% of final salary to two or more surviving children; if there is no surviving widow or in case the widow dies or remarries, 15% of final salary shall be payable to one surviving child, 20% of final salary to two surviving children in equal shares and if there are three or more children, 30% of final salary shall be payable to such children in equal shares. If there is no surviving widow or child, 20% of final salary shall be payable to one surviving parent or 30% of final salary shall be payable to two surviving parents in equal shares.

b. In addition to the benefits payable under subsection a. of this section, there shall also be paid in one sum to the member's beneficiary an amount equal to one and one-half times the final salary received by the member.¹

¹10. Upon the receipt of proper proofs of the death of a workers compensation judge who has retired on a pension or retirement allowance based on age and service, or pursuant to section 7 of this act, P.L. , c. (C.)(now pending before the Legislature as this bill) there shall be paid to the member's beneficiary, an amount equal to one-fourth of the final salary received by the member.

b. Upon the receipt of proper proofs of the death of a member who has retired on a disability pension or retirement allowance, there shall be paid to the member's beneficiary, an amount equal to one and one-half times the final salary received by the member if such death occurs before

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the member shall have attained 60 years of age but if such death occurs thereafter, an amount equal to one-fourth of the final salary received by the member.¹

¹¹. a. Any workers compensation judge who wishes to receive credit for previous service as a judge of compensation or in an office, position, or employment of this State or of a county, municipality, board of education, or public agency of this State, shall file an application therefore with the board of trustees and pay into the annuity savings fund the amount required by applying the factor, supplied by the actuary, as being applicable to the judge's age at the time of purchase and the type of service to be purchased, to the member's salary at that time. Such purchase may be made in regular installments, equal to at least one-half the full normal contribution to the retirement system over a maximum period to be determined by the board of trustees.

In the case of any judge coming under the provisions of this section, full pension credit for the period of employment for which arrears are being paid shall be given upon the payment of at least one-half the total arrearage obligation and the completion of one year of membership and the making of such arrears payments, except that in the case of retirement, the total membership credit for such service shall be in direct proportion as the amount paid bears to the total amount of arrearage obligation.

b. The State shall pay to the retirement system the employer's accrued liability obligation on behalf of such judge purchasing prior service credit.¹

¹². a. A workers compensation judge making contributions pursuant to the provisions of this act, P.L. , c. (C.)(now pending before the Legislature as this bill), and who is not eligible for any benefits under the Workers Compensation Judges Part, may, upon termination of such service as a judge of compensation, elect to receive the return of the

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judges's accumulated contributions in accordance with the provisions of subsection a. of section 41 of P.L.1954, c. 84 (C. 43:15A-41). If a workers compensation judge is a member of the retirement system on the basis of other public service, no application for a return of contributions shall be approved until the judge has terminated all service covered by the system and makes application for a return of all contributions made to the retirement system. If all or any part of a member's service as a workers compensation judge is applied toward qualifying for benefits under any other provision of P.L.1954, c.84 to which this act, P.L. , c. (now pending before the Legislature as this bill), is a supplement, no return of contributions made on the basis of the workers compensation judge salary shall be approved, and in that event, service established as a workers compensation judge and salary pertaining thereto shall be credited in the same manner as all other service and salary covered by the retirement system.

b. At the time of retirement, a member enrolled on the basis of service as a judge of compensation as well as other public service shall be permitted to elect the largest possible retirement allowance, if the member qualifies for benefits under both the provisions of this act and the act to which this is a supplement. An application for a return of contributions made on the basis of such other public service not used for the calculation of a retirement allowance or to qualify for State payment for health care benefits in retirement may be approved.

c. A workers compensation judge electing to receive a retirement allowance under the Workers Compensation Judges Part shall be ineligible to receive a retirement allowance or pension for the same service under any other law of the State.¹

¹13. The actuary for the Public Employees' Retirement System shall determine the unfunded accrued liability for the Workers Compensation Judges Part of the retirement system and the benefits provided for workers compensation judges under that part in the same manner

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provided for the determination of the unfunded accrued liability of the retirement system by section 24 of P.L. 1954, c. 84 (C. 43:15A-24). This unfunded accrued liability shall be amortized in the manner provided by section 24 over an amortization period of 30 years. Accrued liability and normal contributions for workers compensation judges shall be paid by transfers from the Second Injury Fund as provided by subsection j of R.S. 34:15-94. The Commissioner of Labor may, with the authorization of and appropriation by the Legislature, pay this unfunded accrued liability in a lump sum or over a period of time shorter than 30 years.¹

¹14. This act shall take effect immediately.¹